

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Aqua South Carolina for Approval of
a New Schedule of Rates and Charges for Water and
Sewerage Services Provided to Customers

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2009 - 12 - WS

(Please type or print)

Submitted by: Scott Elliott

SC Bar Number: 1872

Address: Elliott & Elliott, P.A.

Telephone: 803-771-0555

721 Olive Steet

Fax: 803-771-8010

Columbia, SC 29205

Other:

Email: selliott@elliottlaw.us

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one)

NATURE OF ACTION (Check all that apply)

- ☐ Electric
- ☐ Electric/Gas
- ☐ Electric/Telecommunications
- ☐ Electric/Water
- ☐ Electric/Water/Telecom.
- ☐ Electric/Water/Sewer
- ☐ Gas
- ☐ Railroad
- ☐ Sewer
- ☐ Telecommunications
- ☐ Transportation
- ☐ Water
- ☒ Water/Sewer
- ☐ Administrative Matter
- ☐ Other:

- ☐ Affidavit
- ☐ Agreement
- ☐ Answer
- ☐ Appellate Review
- ☒ Application
- ☐ Brief
- ☐ Certificate
- ☐ Comments
- ☐ Complaint
- ☐ Consent Order
- ☐ Discovery
- ☐ Exhibit
- ☐ Expedited Consideration
- ☐ Interconnection Agreement
- ☐ Interconnection Amendment
- ☐ Late-Filed Exhibit

- ☐ Letter
- ☐ Memorandum
- ☐ Motion
- ☐ Objection
- ☐ Petition
- ☐ Petition for Reconsideration
- ☐ Petition for Rulemaking
- ☐ Petition for Rule to Show Cause
- ☐ Petition to Intervene
- ☐ Petition to Intervene Out of Time
- ☐ Prefiled Testimony
- ☐ Promotion
- ☐ Proposed Order
- ☐ Protest
- ☐ Publisher's Affidavit
- ☐ Report

- ☐ Request
- ☐ Request for Certification
- ☐ Request for Investigation
- ☐ Resale Agreement
- ☐ Resale Amendment
- ☐ Reservation Letter
- ☐ Response
- ☐ Response to Discovery
- ☐ Return to Petition
- ☐ Stipulation
- ☐ Subpoena
- ☐ Tariff
- ☒ Other: Proposed

Notice of Filing

ELLIOTT & ELLIOTT, P.A.
ATTORNEYS AT LAW
721 OLIVE STREET
COLUMBIA, SOUTH CAROLINA 29205
selliott@elliottlaw.us

SCOTT ELLIOTT

TELEPHONE (803) 771-0555
FACSIMILE (803) 771-8010

January 2, 2009

VIA HAND DELIVERY

Mr. Charles Terreni
Chief Clerk of the Commission
SC Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211

RE: Application of Aqua South Carolina for Approval of a New
Schedule of Rates and Charges for Water and Sewerage
Services Provided to Customers
Docket No.:

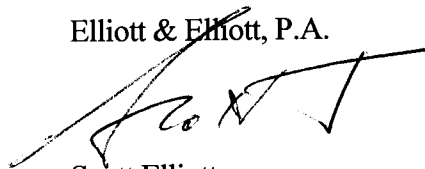
Dear Mr. Terreni:

Enclosed please find an original and fifteen (15) copies of the Application of Aqua South Carolina for Approval of a New Schedule of Rates and Charges for Water and Sewerage Service Provided to Customers in all areas served, together with a proposed Notice of Filing. Also enclosed is a Certificate of Service on the Office of Regulatory Staff. I have enclosed one extra copy of this application, which I would ask you to date stamp and return to me via my courier.

If you have questions, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.


Scott Elliott

RECEIVED
2009 JAN -2 PM 2:38
SC PUBLIC SERVICE
COMMISSION

SE/jcl

Enclosures

cc: C. Dukes Scott, Esq. w/enc.
Brian P. Devine

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKETING DEPARTMENT
NOTICE OF FILING AND HEARING**

Aqua South Carolina, Inc., formerly Brookside Sewer District, Inc., Application for Adjustments in Rates and Charges for Wastewater Services

Aqua South Carolina, Inc. ("Aqua" or "the company") has filed an application with the Public Service Commission of South Carolina ("PSC") for adjustments in rates and charges for wastewater services. The application was filed pursuant to S.C. Code Ann. § 58-5-240 (Supp. XXXX) and 26 S.S. Code Ann. Regs. 103-512.4 (Supp. XXXX)

The company began serving South Carolina when it purchased the investor-owned water and wastewater companies previously owned by AquaSource on July 31, 2003. The company's service area includes approximately 400 customers in the Brookside Subdivision in Spartanburg, South Carolina. According to the application, the last wastewater rate increase was more than 12 years ago in February 1996. One of the key expenses that have risen during that period is the cost the company pays to Spartanburg Sanitary Sewer District to treat its sewage. Those treatment costs have escalated by 57 percent increase in just the past five years. Additionally, the company has made capital investments in the system totaling \$120,000—and average investment of approximately \$300 per customer—primarily for upgrading the collection system.

The company is requesting a rate increase, which would increase the monthly flat rate currently paid by customers from \$20.50 to \$42.73.

A copy of the company's application can be obtained from the PSC at the following address: Public Service Commission of South Carolina, Docketing Department, P.O. Drawer 11649, Columbia, SC 29211. The application is also available on the PSC's Web site at www.psc.sc.gov.

For testimony and evidence to be received from all interested parties, a public hearing will be held in the PSC's hearing room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina on Xday, Month XX, 2009 at XX:XX a.m.

Any person who wished to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the PSC's Rules of Practice and Procedure on or before Month XX, 2009 and indicate the amount of time required for their presentation. Please refer to Docket No. XXXX-XX-X.

Any person who wishes to testify and present evidence at the hearing should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, P.O. Box 11263, Columbia, SC, 29211 and Scott Elliott, Elliott & Elliott, P.A., Attorneys at Law, 721 Olive Street, Columbia, SC 29205 on or before Month XX, 2009 and indicate the amount of time required for their presentation. Please refer to Docket No. XXXX-XX-X.

Any person who wishes to request a hearing in his or her county of residence should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, P.O. Box 11263, Columbia, SC, 29211 and Scott Elliott, Elliott & Elliott, P.A., Attorneys at Law, 721 Olive Street, Columbia, SC 29205 on or before Month XX, 2009 and indicate the amount of time required for their presentation. Please refer to Docket No. XXXX-XX-X.

Please take notice that any person who wishes to have his or her comments considered as a part of the official record of the proceeding *must* present such comments in person to the PSC during the hearing.

Public Service Commission of South Carolina
Docketing Department
P.O. Drawer 11649
Columbia, SC 29211

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. _____

IN RE: Application of Aqua South Carolina)	
for Approval of a New Schedule of)	APPLICATION FOR
Rates and Charges for Sewerage)	RATE INCREASE
Services Provided to Customers)	

Aqua South Carolina ("Aqua") hereby applies to the South Carolina Public Service Commission for approval of an increase in its existing rates and charges pursuant to South Carolina Public Service Commission's rules and regulations and S.C. Code Ann.58-5-240. In support of its application, Aqua provides the following information:

1. Aqua furnishes sewer collection service for 408 customers within the Brookside Village Subdivision in Spartanburg County under the schedule of rates approved by the Commission in Order Number 96-134, Docket Number 95-1171-S dated February 29, 1996.
2. Because Aqua has experienced increased operating expenses and decreased revenues, an increase in rates is a necessity. And therefore, pursuant to S.C. Code Ann. 58-5-240, Aqua respectfully applies for the approval of a new schedule of rates and charges for sewage service provided to its residential and commercial customers in all areas served. Notice of its intention to file the new schedules was given more than the required thirty days prior to this application.
3. Aqua has not requested a prior rate increase, with the most recent rate increase for this service area on February 29, 1996 based on operating expenses experienced in 1994 while the system was owned by Brookside Sewer District.
4. Applicant proposes a test year of July 1, 2007 to June 30, 2008 and has prepared certain financial documents relating to that time frame in support of the application, which documents are attached hereto and incorporated herein by this reference as Exhibits A through H. These statements include

the following:

- a. EXHIBIT A - PROPOSED SCHEDULE OF RATES AND CHANGES
 - b. EXHIBIT B - BALANCE SHEET AT JUNE 30, 2008
 - c. EXHIBIT C-PROFORMA INCOME & EXPENSE STATEMENTS WITH OPERATING MARGINS FOR THE TEST YEAR AND ADJUSTED TEST YEAR.
 - d. EXHIBIT D- COMPARATIVE INCOME & EXPENSE STATEMENTS FOR THE YEAR ENDING JUNE 30, 2007 AND THE YEAR ENDING JUNE 30, 2008
 - e. EXHIBIT E-PROPOSED REVENUE
 - f. EXHIBIT F - CURRENT CUSTOMER BILL FORM
 - g. EXHIBIT G-CURRENT DHEC NOTICE
 - h. EXHIBIT H-DEPRECIATION SCHEDULES
5. There is on file with the Commission a performance bond given to satisfy the requirements of S.C. Code Ann. 58-5-720 (Supp 2000).
6. A map depicting Aqua's current service area is on file with the Commission/ORS.

**NEED AND JUSTIFICATION FOR RATE RELIEF
AND RATE SCHEDULE MODIFICATION**

- A. During the twelve month test year ending June 30, 2008, the Company lost \$42,456. The Operating Margin is negative (42.76%). After adjustments for known and measurable changes, the loss is \$130,728 and Operating Margin is negative (30.25%).
- B. The current rates, under which the Company is now operating, were approved on February 29, 1996, a difference of over twelve years. The Commission granted an operating margin of 12.29% in that decision.
- C. It is the responsibility of the stockholders/management to maintain the financial integrity of the utility. The current costs outpace revenues and with no funds to pay expenses the company continues to borrow funds to pay for daily operations. The company contends that these funds are necessary to properly maintain the quality of service to which our customers are entitled.
7. All Communication or inquiries regarding this application should be directed as set forth below:

A. Applicant's Representative

Thomas Roberts
202 MacKenan Court
Cary, NC 27511
919-653-5770
919-466-1583 Fax

B. Legal Counsel

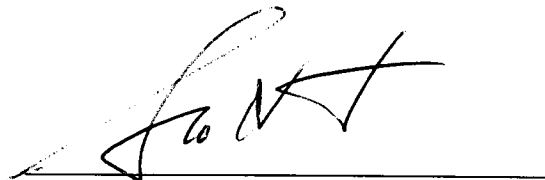
Scott Elliott
721 Olive Street
Columbia, SC 29205
803-771-0555
803-771-8010 Fax

C. Accountant

Brian Devine
62 West Lancaster Ave.
BrynMawr, PA 19010
610-525-1400 Ext: 51121
610-519-0989 Fax

THEREFORE, having fully set forth its application, Aqua respectfully requests that the Commission approve the rates proposed and grants to the applicant such other relief as the Commission may deem just and proper.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Scott Elliott', is written over a horizontal line.

Scott Elliott, Esquire
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205
803-771-0555
803-771-8010

Columbia, SC
January 2, 2009

EXHIBIT A

Propose Schedule of Rates and Charges

Exhibit A

Aqua South Carolina Brookside Wastewater Proposed Schedule of Rates and Changes

1) Monthly Charges

Residential-	Monthly charge per single-family house, condominium or mobile home	\$42.73
Commercial-	Monthly Charge	\$42.73 per SFE*

2) Nonrecurring Charges

Tap Fee-	New connections outside the Brookside Village Subdivision	\$500 per SFE*
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The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a nonresidential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3) Account Set-Up Charges

New Customer Account Charge	\$20.00
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4) Late Penalty Charge

The company may charge a late-payment penalty up to the maximum amount allowed by the applicable South Carolina statute and/or South Carolina Public Service Commission rule.

5) NSF Check Charge

The company may charge a NSF check fee up to the maximum allowed by the applicable South Carolina statute and/or South Carolina Public Service Commission rule.

6) Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving sewer system. In no event will the Utility be required to construct additional wastewater treatment capacity and/or lines to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity and/or to the affected sewer system.

* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2006), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

The Utility shall give the Commission thirty days notice of its intent to pass-through to customers treatment charges which are higher than those in effect at the time of the Commission's approval of the within rate schedule. The Utility shall provide with such notice written documentation of an increase by the provider of treatment services justifying the increase in the amount of treatment charges sought to be passed-through to affected customers. In the event that an increase in the amount of treatment charges to be passed through to customers is found by the Commission to be so justified, the utility will then be required to give customers advance notice before the increase in the treatment charges to be passed through may be put into effect.

EXHIBIT B

**Balance Sheet for the Test Year
Ending 6/30/08**

Exhibit B

**Aqua South Carolina
Brookside Wastewater
Balance Sheet for the Test Year Ending 6/30/08**

Current Assets

Cash in Bank	
Accounts Receivable	\$ 17,224.16
Allowance for Bad Debt	\$ (2,504.74)
Affiliate Receivable	\$ (7,147.45)
Unbilled Revenue	\$ 4,178.03
Prepayments	\$ 253.30
	<u>\$ 12,003.30</u>

Fixed Assets

Construction Work in Progress	\$ 654.04
Services to Customers	\$ (2,878.91)
Sewer Collection Mains	\$ 121,702.48
Total Fixed Assets	<u>\$ 119,477.61</u>
Less: Depreciation Reserve	\$ (8,998.04)
Total Net Plant	<u>\$ 110,479.57</u>

Other Assets

Furniture & Equipment	\$ 1,280.54
Misc. Equipment	\$ 1,272.00
Less: Depreciation Reserve	\$ (379.32)
	<u>\$ 2,173.22</u>

\$ 124,656.09

TOTAL ASSETS

Shareholders Equity

Capital Stock	\$ 317,998.81
Additional Paid In Capital	\$ 162,860.59
Retained Earnings	\$ (388,689.83)
Total Shareholder Equity	<u>\$ 92,169.57</u>

Long Term Debt

\$ 106,648.87

Current Liabilities

Accounts Payable	\$ 719.80
Accrued Liabilities	\$ 327.74
Accrued Taxes	\$ (72,083.36)
Total Current Liabilities	<u>\$ (71,035.82)</u>

Deferred Taxes

Deferred Taxes-Federal	\$ (1,648.53)
Deferred Taxes-State	\$ (1,478.00)
Total Deferred Taxes	<u>\$ (3,126.53)</u>

TOTAL LIABILITIES

\$ 124,656.09

EXHIBIT C

Proforma Income & Expense Statements

Operating Margins for the Test Year

Ending June 30, 2008

And Adjustments for the Test Year

**Aqua South Carolina
Brookside Wastewater
Proforma Income & Expense Statements
Operating Margins for the Test Year Ending 6/30/08**

	(1)	(2)	(3)	(4)	(5)
	Per Books Total Operations	Proforma and Accounting Adjustments	Adi. After Adjustments	Effect of Proposed Increase Adi.	After Proposed Increase
<u>Revenues</u>					
Sewer	99,283	1,085	(1) 100,368	108,838 (11)	209,206
Other	-	-	-	-	-
Total Revenue	99,283	1,085	100,368	108,838	209,206
<u>Expenses</u>					
Salaries, Wages & Benefits	(2,118)	2,201 (2)	83	-	83
Contractual Services-A & G	116,116	(669) (3)&(4)	115,447	7,695 (12)	123,141
O&M Management	25,542	(13,889) (5)	11,653	-	11,653
Other	14,085	(12,831) (6)&(7)	1,254	-	1,254
Bad Debt	235	-	235	259 (13)	494
Depreciation	3,641	-	3,641	-	3,641
Rate Case Expense Amort.	-	6,667 (8)	6,667	-	6,667
Other Taxes	795	9 (9)	804	886 (14)	1,690
Interest	5,620	-	5,620	-	5,620
Income Taxes	(22,177)	7,501 (10)	(14,676)	38,250 (15)	23,573
Total Expenses	141,739	(11,011)	130,728	47,089	177,816
Operating Income (Losses)	(42,456)		(30,360)		31,390
Operating Margin (Losses)	-42.76%		-30.25%		15.00%

Exhibit C

Aqua South Carolina
Brookside Wastewater
Proforma Income & Expense Statements
Operating Margins for the Test Year Ending 6/30/08

Column Number ==>	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 Adjust Pro-Forma revenue to reflect an average of 408 customers for the test year	\$ 1,085						
2 The company reversed a payroll accrual which began before the test year.		\$ 2,201					
3 Adjust cost of gallons treated to reflected modified usage report			\$ (10,248)				
4 The company had an increase in sewage treatment charges from Spartanburg Sewer District in August 2008				\$ 9,579			
5 Remove costs associated with possible acquisitions					\$ (13,889)		
6 Adjust for removal of prior rate case expense						\$ (12,668)	
7 To adjust for removal of late fees							\$ (163)
Total Adjustments	\$ 1,085	\$ 2,201	\$ (10,248)	\$ 9,579	\$ (13,889)	\$ (12,668)	\$ (163)
Adjustment Numbers on Page 1	(1)	(2)	(3)	(4)	(5)	(6)	(7)

Exhibit C
Aqua South Carolina
Brookside Wastewater
Proforma Income & Expense Statements
Operating Margins for the Test Year Ending 6/30/08

Column Number ==>	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
8 To allocate rate case expense of \$20,000 over three years	\$ 6,667							
9 To adjust for an increase in gross receipts tax for the Pro Forma test year		\$ 9						
10 To show the Income Tax effect based on the Pro Forma test year			\$ 7,501					
11 To adjust for the increased proposed sewer rates				\$ 108,838				
12 To adjust for an increase in billing and collections from SJWD Water District					\$ 7,695			
13 Increase Bad Debt expense based on on test year's uncollectable revenues						\$ 259		
14 To adjust for an increase in gross receipts tax on rate increase							\$ 886	
15 To show the Income Tax effect based on the final proposed rates								\$ 38,250
Total Adjustments	\$ 6,667	\$ 9	\$ 7,501	\$ 108,838	\$ 7,695	\$ 259	\$ 886	\$ 38,250
Adjustment Numbers on Page 2	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

EXHIBIT D

Comparative Income & Expense Statements

For the Year Ending June 30, 2007

and the Year Ending June 30, 2008

Exhibit D

**Aqua South Carolina
Brookside Wastewater
Comparative Income & Expense Statements
for the Test Year Ending 6/30/08 and the prior 12 months**

	<u>For the 12 months ending 6/30/08</u>	<u>For the 12 months ending 6/30/07</u>
Service Revenue		
Sewer Revenue	\$ 99,283	\$ 99,321
Miscellaneous Revenue		
Miscellaneous Revenue		
Total Revenue	<u>\$ 99,283</u>	<u>\$ 99,321</u>
Less: Operating Expenses		
Operating & Administrative Expenses	\$ 153,142	\$ 127,801
Interest Expense	\$ 5,620	\$ 8,541
Taxes Other Than Income	\$ 795	\$ 75
Depreciation Expense	\$ 3,641	\$ 3,897
Income Taxes	\$ (22,177)	\$ (14,154)
Total Operating Expenses	<u>\$ 141,021</u>	<u>\$ 126,160</u>
Operating Profit (Losses)	\$ (41,739)	\$ (26,839)

EXHIBIT E

Proposed Revenues

Exhibit E

**Aqua South Carolina
Brookside Wastewater**

Proposed Revenue - Sewer

	Proposed			Revenues			Increase	
	Base Charge	Commodity		Present	Proposed		Amount	Percent
Domestic Sewer	\$42.73	Flat	\$	99,283	\$ 209,206	\$	109,924	111%

Exhibit E

**Aqua South Carolina
Brookside Wastewater
for the Test Year Ending 6/30/08 and the prior 12 months**

	<u>Test Year</u>	<u>Proposed Rates</u>
Base Charge per month	\$ 20.50	\$42.73
Estimated Number of Customers	404	408
Projected Total Monthly Revenue	\$ 8,282	\$ 17,434
Annualized for 12 months	\$ 99,384	\$ 209,206
Annualized Sewer Service Revenue	\$ 99,384	\$ 209,206

EXHIBIT F

Current Customer Bill Form

SJWD WATER DISTRICTPO BOX 607
LYMAN SC 29365FOR BILLING INFORMATION
CALL: 864-439-4423

ACCOUNT#	Bill Date	TOTAL DUE
██████████	08/08/08	██████████
TYPE	Due Date	
CYCLE 5	08/28/08	

AMOUNT PAID _____

DETACH AND RETURN ABOVE STUB WITH REMITTANCE					CYCLE 5			011546000		
Account#		Service Address			Billing Period		Bill Date	Due Date	TOTAL DUE	
[REDACTED]		[REDACTED]			07/09/08 to 08/08/08		08/08/08	08/28/08	36.41	
Previous Date	Read	Current Date	Read	Misc	Usage	Co	Description	Charge		
06/26	4039	07/28	4077	100	3800	01	WATER	15.91		
						02	BROOKSIDE SEWER	20.50		
								Current Charges	36.41	
SJWD WATER DISTRICT								TOTAL AMOUNT DUE	36.41	

-- BANK DRAFT & CREDIT CARD DRAFT IS AVAILABLE FOR YOUR CONVENIENCE --
VIEW YOUR ACCOUNT OR PAY ON LINE AT WWW.SJWD.COM
OFFICE HOURS: MONDAY - FRIDAY 8:00 AM TO 5:00 PM

PLEASE DO NOT STAPLE YOUR CHECKS TO THE STUB AND TO INSURE PROPER POSTING PLEASE INCLUDE YOUR ACCT. NO. ON YOUR CHECK. THANK YOU FOR YOUR COOPERATION.

---SEE THE BACK OF THE BILL FOR IMPORTANT BILLING INFORMATION, A FORM FOR ADDRESS AND PHONE NO. CHANGES AND FORMS FOR BANK DRAFT AND CREDIT CARD DRAFT.---

WHEN SERVICE HAS BEEN DISCONNECTED FOR NON-PAYMENT, THE PAST DUE BALANCE, \$25.00 DELINQUENT FEE AND \$35.00 RECONNECT FEE MUST BE PAID BEFORE SERVICE IS RESTORED.###

THANK YOU FOR YOUR CONSERVATION EFFORTS!!

EXHIBIT G

Current DHEC Notice

BOARD:

Paul C. Aughttry, III
Chairman

Edwin H. Cooper, III
Vice Chairman

Steven G. Klsner
Secretary



C. Earl Hunter, Commissioner

Promoting and protecting the health of the public and the environment

BOARD:

Henry C. Scott

M. David Mitchell, MD

Glenn A. McCall

Coleman F. Buckhouse, MD

November 14, 2008

Mr. Brian Devine
Aqua South Carolina Inc
762 W. Lancaster Ave.
Bryn Mawr, PA 19010

RE: PSC Rate Case
Brookside subdivision collection system (SSS000595)
Spartanburg County

Dear Mr. Devine,

For the purposes of the referenced, this letter confirms that the Brookside collection system is covered by a sewer system operating permit, with the referenced number.

I can be reached at 803-898-4157 or at debessjp@dhec.sc.gov.

Sincerely,

Jeffrey P. deBessonnet, P.E., Director
Water Facilities Permitting Division

EXHIBIT H

Depreciation Schedules

Depreciation Expense Summary

AquaAmerica

Month: Jun/2008

Aqua America - South Carolina

Financial

Depreciation Group	Beginning Plant Balance	Ending Plant Balance	Depreciation Base	Depreciation Rate	Calculated Expense	Depreciation Adjustment	Begin Reserve	End Reserve
<u>Aquasource South Carolina</u>								
<u>WasteWater</u>								
CIAC 1001 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35110 Brookside Sewer District	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35210 Brookside Sewer District	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35320 Brookside Sewer District	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35330 Brookside Sewer District	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35340 Brookside Sewer District	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35350 Brookside Sewer District	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35360 Brookside Sewer District	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35370 Brookside Sewer District	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35420 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35430 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35440 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35450 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35460 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35470 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35520 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35530 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35540 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35550 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 35560 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 36020 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 36120 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 36220 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 36320 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 36420 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 36520 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 36660 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 36760 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 37030 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 37130 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 37150 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 37160 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 37450 Brookside Sewer District	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00

Depreciation Expense Summary

Month: Jun/2008

AquaAmerica

Financial

Aqua America - South Carolina

Depreciation Group	Beginning Plant Balance	Ending Plant Balance	Depreciation Base	Depreciation Rate	Calculated Expense	Depreciation Adjustment	Begin Reserve	End Reserve
<u>Aquasource South Carolina</u>								
<u>WasteWater</u>								
CIAC 37560 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38040 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38050 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38140 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38150 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38240 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38910 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38920 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38930 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38940 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38950 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 38960 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 39070 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 39170 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 39270 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 39370 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 39470 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 39570 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 39670 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 39770 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
CIAC 39870 Brookside Sewer Distric	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35110	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35210	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35320	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35330	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35340	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35350	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35360	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35370	\$0.00	\$0.00	\$0.00	0.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35420	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35430	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35440	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35450	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00

Depreciation Expense Summary

AquaAmerica

Month: Jun/2008

Financial

Aqua America - South Carolina

Depreciatio Group	Beginning Plant Balance	Ending Plant Balance	Depreciation Base	Depreciation Rate	Calculated Expense	Depreciation Adjustment	Begin Reserve	End Reserve
Aquasource Sout Carolina								
WasteWater								
SCWW Brookside 35460	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35470	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35520	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35530	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35540	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35550	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 35560	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 36020	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 36120	\$121,702.48	\$121,702.48	\$121,702.48	3.00000%	\$304.26	\$0.00	\$9,003.38	\$9,307.64
SCWW Brookside 36220	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 36320	(\$2,878.91)	(\$2,878.91)	(\$2,878.91)	3.00000%	(\$7.20)	\$0.00	(\$302.40)	(\$309.60)
SCWW Brookside 36420	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 36520	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 36660	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 36760	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 37030	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 37130	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 37150	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 37160	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 37450	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 37560	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38040	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38050	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38140	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38150	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38240	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38910	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38920	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38930	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38940	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38950	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 38960	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 39070	\$1,280.54	\$1,280.54	\$1,280.54	3.00000%	\$3.20	\$0.00	\$105.56	\$108.76

Depreciation Expense Summary

Month: Jun/2008

AquaAmerica

Aqua America - South Carolina

Financial

Depreciation Group	Beginning Plant Balance	Ending Plant Balance	Depreciation Base	Depreciation Rate	Calculated Expense	Depreciation Adjustment	Begin Reserve	End Reserve
<u>Aquasource South Carolina</u>								
<u>WasteWater</u>								
SCWW Brookside 39170	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 39270	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 39370	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 39470	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 39570	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 39670	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside 39770	\$1,272.00	\$1,272.00	\$1,272.00	3.00000%	\$3.18	\$0.00	\$267.38	\$270.56
SCWW Brookside 39870	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside GoodWill	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
SCWW Brookside GoodWill T	\$0.00	\$0.00	\$0.00	3.00000%	\$0.00	\$0.00	\$0.00	\$0.00
WasteWater Total	121,376.11	121,376.11	\$121,376.11		303.44	\$0.00	9,073.92	9,377.36
Aquasource South Carolina Total	121,376.11	121,376.11	\$121,376.11		\$303.44	\$0.00		9,377.36
<u>Company/Set of Books Total:</u>								
	\$121,376.11	\$121,376.11		\$303.44	\$0.00			\$9,377.36

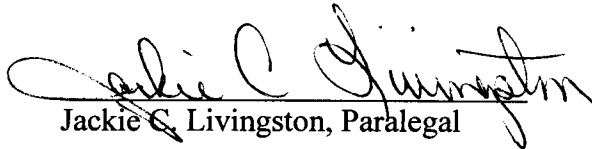
CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the Application of Avondale Mills, Inc. to the persons indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of Aqua South Carolina for Approval of New
Schedule of Rates and Charges for Water and
Sewage Services Provided to Customers

Docket No.: 2009-

PARTIES SERVED: C. Dukes Scott, Esquire
ORS
P. O. Box 11263
Columbia, SC 29211


Jackie C. Livingston, Paralegal

January 2, 2009